

In Re: Deborah Hobbs)
District 3, Map 29, Control Map 29, Parcel 22,) Montgomery County
Special Interest 000)
Tax year 2006)

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Tenn. Code Ann. section 67-5-601(a) provides (in relevant part) that “[t]he value of all property shall be ascertained from the evidence of its sound, intrinsic and immediate value, for purposes of sale between a willing seller and a willing buyer without consideration of speculative values....”

As the party seeking to change the present valuation of the subject property, the taxpayer has the burden of proof in this administrative proceeding. State Board Rule 0600-1-.11(1).

Respectfully, after reviewing all the evidence of record, the administrative judge is not persuaded that the property under appeal has been overvalued. As Mr. Manners pointed out, the subject house is 300 square feet larger than 951 Coburn Road; and the seller of that property was a financial institution which presumably had acquired it as a result of a default on the mortgage loan.² Foreclosure sales of property are commonly regarded as dubious indicators of value because of the seller’s atypical motivation and/or limited market exposure of the property.

Even assuming that the subject lot is somewhat inferior to the Deputy Assessor’s comparables in topography and/or location, the fact remains that the current appraisal of the property as a whole is \$9,245 less than the lowest adjusted comparable sale price. The administrative judge cannot legitimately infer, then, that any additional allowance for the condition of the land or accrued depreciation of the improvement is warranted.³

Order

It is, therefore, ORDERED that the following values be adopted for tax year 2006:

LAND VALUE	IMPROVEMENT VALUE	TOTAL VALUE	ASSESSMENT
\$22,100	\$96,200	\$118,300	\$29,575

Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301—325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal **“must be filed within thirty (30) days from the date the initial decision is sent.”** Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that

²According to Mr. Manners’ information, the real estate investor who purchased 951 Coburn Road quickly resold it for \$75,000.

³The \$6,712.14-per-acre appraisal of the subject land reflects a -20% adjustment for condition. In addition, the Assessor has granted an extra 5% depreciation allowance for above-normal physical deterioration.

the appeal be filed with the Executive Secretary of the State Board and that the appeal **“identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order”**; or

2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The petition for reconsideration must state the specific grounds upon which relief is requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review.

This order does not become final until an official certificate is issued by the Assessment Appeals Commission. Official certificates are normally issued seventy-five (75) days after the entry of the initial decision and order if no party has appealed.

ENTERED this 2nd day of February, 2007.

Pete Loesch

PETE LOESCH
ADMINISTRATIVE JUDGE
TENNESSEE DEPARTMENT OF STATE
ADMINISTRATIVE PROCEDURES DIVISION

cc: L.D. Love
Ronnie D. Boyd, Montgomery County Assessor of Property

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